

Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

Claim 1 (currently amended): A method of conducting homologous recombination, which is characterized in that it comprises the following steps (a) and (b):

(a) a step of preparing filamentous fungi cells belonging to genus Neurospora or Aspergillus wherein a decrease or loss of the functions of a gene selected from the group consisting of KU70, KU80, LIGIV and XRCC4 necessary for non-homologous recombination is induced; and

(b) a step of introducing foreign DNA into said cells-filamentous fungi, so as to conduct homologous recombination.

Claim 2 (currently amended): The method according to claim 1, which is characterized in that said decrease or loss of the functions of [[a]] the gene necessary for non-homologous recombination is achieved by introducing a mutation or deletion into the gene selected from the group consisting of KU70, KU80, LIGIV and XRCC4 necessary for non-homologous recombination that exists in the cells.

Claim 3 (currently amended): The method according to claim 1, which is characterized in that said decrease or loss of the functions of [[a]] the gene necessary for non-homologous recombination is achieved by disrupting as a whole the gene selected from the group consisting of KU70, KU80, LIGIV and XRCC4 necessary for non-homologous recombination that exists in the cells.

Claim 4 (previously presented): The method according to claim 1, which is characterized in that said step of introducing foreign DNA is achieved by any one of an electroshock method, a spheroplast method, and a Ti plasmid method.

Claims 5-9 (canceled).

Claim 10 (currently amended): The method according to claim 1 **9**, wherein said filamentous fungi belonging to genus Neurospora is one type selected from the group consisting of *Neurospora crassa*, *Neurospora sitophila*, *Neurospora tetrasperma*, *Neurospora intermedia*, and *Neurospora discreta*.

Claims 11-12 (canceled).

Claim 13 (currently amended): The method according to claim 1 **9**, wherein said filamentous fungi belonging to genus Aspergillus is one type selected from the group consisting of *Aspergillus oryzae*, *Aspergillus sojae*, *Aspergillus niger*, *Aspergillus awamori*, *Aspergillus kawachi*, *Aspergillus parasiticus*, *Aspergillus flavus*, *Aspergillus nomius*, *Aspergillus fumigatus*, and *Aspergillus nidulans*.

Claim 14 (currently amended): The method of claim 1 wherein cells of said filamentous fungi are Cells prepared in said step (a) of the method according to claim 1.

Claim 15 (currently amended): Cells of said filamentous fungi obtained by the method of claim 1.

Claim 16 (canceled).

Claim 17 (currently amended): Cells of said filamentous fungi obtained by the method of claim 10.

Claim 18 (currently amended): Cells of said filamentous fungi obtained by the method of claim 13.

Claim 19 (new): The method according to claim 1 wherein a rate of said homologous recombination of said filamentous fungi in which there is said decrease or loss of the functions of the gene is increased by at least a factor of 5 compared to a rate of homologous recombination of a wild type of said filamentous fungi.

Claim 20 (new): The method according to claim 1 wherein a rate of said homologous recombination of said filamentous fungi in which there is said decrease or loss of the functions of the gene is increased by at least a factor of 12.5 compared to a rate of homologous recombination of a wild type of said filamentous fungi.